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**STANDARD FUEL CO.
LIMITED**

AND ITS SUBSIDIARY COMPANIES



**FORTY-FIRST ANNUAL REPORT
OF
THE BOARD OF DIRECTORS
FOR THE YEAR ENDED APRIL 30, 1969**



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FORTY-FIRST ANNUAL REPORT
OF THE
BOARD OF DIRECTORS
OF
STANDARD FUEL Co. LIMITED

FOR THE YEAR ENDED
APRIL 30, 1969

STANDARD FUEL CO. LIMITED

and its Subsidiary Companies

IMPORTERS OF AND DEALERS IN

Fuel Oil

Bituminous Coal

—

Anthracite Coal

Industrial and Domestic

WHOLESALE AND RETAIL

SUBSIDIARY COMPANIES

The Milnes Coal Company, Limited

Milnes Fuel Oil Limited

STANDARD FUEL CO. LIMITED

Incorporated under the Companies Act, Canada

BOARD OF DIRECTORS

MR. J. HERBERT MILNES	- - - - -	Toronto, Ont.
MR. JOHN H. MILNES	- - - - -	Toronto, Ont.
MRS. R. S. WILLIAMS	- - - - -	Toronto, Ont.
MR. J. L. STEWART, Q.C.	- - - - -	Toronto, Ont.
MR. D. B. HORSLEY	- - - - -	Toronto, Ont.

OFFICERS

<i>President and Managing-Director</i>	- - - - -	MR. J. HERBERT MILNES
<i>Executive Vice-President</i>	- - - - -	MR. JOHN H. MILNES
<i>Secretary-Treasurer</i>	- - - - -	MR. C. W. SWASH

<i>Assistant General Manager, Fuel Oil Division</i>	-	MR. JAMES L. MORRISON
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HEAD OFFICE

1815 Yonge Street, Toronto 7, Ontario

TRANSFER AGENT

NATIONAL TRUST COMPANY, LIMITED, TORONTO, ONT. AND MONTREAL, P.Q.

REGISTRAR

CANADA PERMANENT TRUST COMPANY, TORONTO, ONT. AND MONTREAL, P.Q.

(cr - 108)

STANDARD FUEL CO. LIMITED

and its Subsidiary Companies

FORTY-FIRST ANNUAL REPORT OF THE BOARD OF DIRECTORS

To be submitted at the Annual Meeting of Shareholders to be held in Toronto on Thursday, the 28th day of August, 1969, at the hour of 12 o'clock noon (Eastern Daylight Saving Time.)

To the Shareholders of:

STANDARD FUEL CO. LIMITED

Your Directors submit herewith the Consolidated Balance Sheet as at April 30, 1969, together with the Consolidated Statement of Income and Retained Earnings for the year ended that date.

Net profit for the year amounted to \$83,558.00 as compared to earnings last year of \$128,340.00. The decrease from last year is a direct reflection of higher costs both operating and purchasing.

The corporate structure has been updated. Applications have been made to surrender the charters of Standard Fuels Limited and Consolidated Coal & Dock Co. Limited. This leaves as the principal operating company, Milnes Fuel Oil Limited of which Milnes Coal is a division.

During the year 5041 preferred shares were purchased and cancelled. After deducting costs this added \$14,566.00 to our Contributed Surplus.

The outlook for the current year is better and it should show a satisfactory improvement in earnings.

Submitted on behalf of the Board.

Toronto, Canada, July 23, 1969.

J. HERBERT MILNES,
President.

STANDARD FUEL

and its Subsidiary

Consolidated Balance Sheet

ASSETS

CURRENT ASSETS

Cash	\$1,112,404	
Accounts receivable	415,436	
Inventories at the lower of cost and net realizable value...	144,589	
Prepaid expenses	23,210	\$1,695,639

SPECIAL REFUNDABLE TAX	3,892
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FIXED ASSETS (note 1)	470,776
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GOODWILL	1
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\$2,170,308

Approved on behalf of the Board

J. HERBERT MILNES, *Director*

JOHN H. MILNES, *Director*

Auditors

To the Shareholders of
STANDARD FUEL CO. LIMITED

We have examined the consolidated balance sheet of Standard Fuel Co. Limited and its earnings and contributed surplus for the year then ended. Our examination included a general review we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position in accordance with generally accepted accounting principles applied on a basis consistent with the

Toronto, Ontario,
July 3, 1969.

CO. LIMITED

Companies

— April 30, 1969

LIABILITIES

CURRENT LIABILITIES

Accounts payable and accrued liabilities	\$ 157,440	
Income taxes payable	394	\$ 157,834

SHAREHOLDERS' EQUITY

CAPITAL STOCK

Authorized

21,145 4½% cumulative preferred shares par value \$50
redeemable at \$53 per share
50,000 common shares without par value

Issued

3,145 preferred shares (note 2) 157,250
50,000 common shares 200,000

357,250

CONTRIBUTED SURPLUS, arising from the purchase for
cancellation of preferred shares

112,121

RETAINED EARNINGS

1,543,103

2,012,474

\$2,170,308

Report

Subsidiary Companies as at April 30, 1969 and the consolidated statements of income and retained
of the accounting procedures and such tests of accounting records and other supporting evidence as
of the companies as at April 30, 1969 and the results of their operations for the year then ended, in
of the preceding year.

HILBORN & COMPANY
Chartered Accountants

STANDARD FUEL CO. LIMITED

and its Subsidiary Companies

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 1969

1. Fixed assets as independently appraised in 1928 with subsequent additions at cost			
Land.....			\$ 169,199
Buildings and equipment.....	\$1,315,908		
Less: Accumulated depreciation.....	<u>1,014,331</u>		<u>301,577</u>
			<u>\$ 470,776</u>
2. Preferred shares			
	Shares	Amount	
Balance, April 30, 1968.....	Issued 8,186		\$ 409,300
Less: Purchase of shares for cancellation including transfer to contributed surplus.....	5,041		252,050
Balance, April 30, 1969.....	<u>3,145</u>		<u>\$ 157,250</u>

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

Year ended April 30, 1969

Sales.....		\$2,153,681
Cost of sales and operating expenses.....		<u>1,962,504</u>
Income before undernoted items.....		191,177
Interest income.....		<u>63,037</u>
		254,214
Directors' remuneration.....	\$ 47,000	
Depreciation.....	<u>50,606</u>	<u>97,606</u>
Income before income taxes.....		156,608
Income taxes.....		<u>73,050</u>
Net income for the year.....		83,558
Retained earnings, April 30, 1968.....		<u>1,374,936</u>
Transfer from reserve for contingencies.....		<u>100,000</u>
		1,558,494
Deduct: Dividends on preferred shares.....		<u>15,391</u>
Retained earnings, April 30, 1969.....		<u>\$1,543,103</u>

CONSOLIDATED STATEMENT OF CONTRIBUTED SURPLUS

Year ended April 30, 1969

Balance, April 30, 1968.....	\$ 97,555
Increase for year arising from the purchase for cancellation of 5,041 preferred shares less costs.....	<u>14,566</u>
Balance, April 30, 1969.....	<u>\$ 112,121</u>

